

Article - Alcoholic Beverages

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§2-137.

(a) (1) In this section, “charitable organization” means an organization that:

(i) is a benevolent, educational, philanthropic, humane, patriotic, religious, or eleemosynary organization that solicits or obtains contributions solicited from the public for charitable or benevolent purposes; and

(ii) is registered with the Secretary of State in accordance with Title 6, Subtitle 4 of the Business Regulation Article.

(2) “Charitable organization” includes an office, a branch, a chapter, or a similar affiliated entity that has its principal place of business outside the State.

(3) “Charitable organization” does not include:

- (i) a political party, political committee, or political club;
- (ii) a unit of the State government or a political subdivision of the State;
- (iii) a fraternal organization;
- (iv) a fire company;
- (v) a rescue or ambulance squad; or
- (vi) a police force or other law enforcement organization.

(b) There is a charity wine auction permit.

(c) The Comptroller may issue the permit to a charitable organization.

(d) The permit authorizes the holder to sell wine at public or private auction to a consumer through the solicitation and acceptance of bids.

(e) The permit is valid for 1 day.

(f) The permit may be granted for:

(1) an unlicensed premises; or

(2) a Class B, Class C, or Class B–D–7 licensed premises.

(g) (1) A charitable organization may be issued not more than one permit during a calendar year.

(2) A permit allows the holder to conduct one auction of wine during a calendar year.

(h) (1) Subject to paragraph (2) of this subsection, the permit holder may receive wine for the auction from:

(i) a holder of a wholesaler’s license;

(ii) a Class 3 or Class 4 winery;

(iii) a retail dealer;

(iv) an individual residing in the State; or

(v) a business entity in the State that is not licensed under this article.

(2) The permit holder may receive commercially produced wine that is not authorized for distribution and sale in the State from:

(i) a nonresident individual; or

(ii) a business entity that is located outside the State.

(i) (1) Wine that the permit holder receives from the following sources is subject to State tax under § 5–102 of the Tax – General Article:

(i) a holder of a wholesaler’s license;

(ii) a Class 3 winery;

(iii) a Class 4 winery; and

(iv) any source outside the State.

(2) Taxes are presumed to have been paid on wine that the permit holder receives from the following sources:

(i) a retail dealer;

(ii) an individual residing in the State; and

(iii) a business entity in the State that is not licensed under this article.

(j) (1) Within 30 days after the auction ends, the permit holder shall:

(i) file a report with the Comptroller; and

(ii) pay all taxes due on wine received for the auction.

(2) The report shall:

(i) include the total number of gallons and each source of wine that was received for the auction; and

(ii) be filed on the form that the Comptroller provides.

(k) The Comptroller may require that the permit holder prepay on or before the seventh day before the auction an amount sufficient to cover the anticipated wine tax due.

(l) (1) Wine purchased at a charity wine auction shall be delivered to the purchaser:

(i) at the event; or

(ii) from a licensed warehouse, licensed retail dealer's premises, or other premises that the Comptroller approves.

(2) Wine delivered under this subsection is subject to applicable sales taxes.

(m) Notwithstanding any other provision of this article, a person authorized to sell wine at retail may purchase wine offered at a charity wine auction in an amount not to exceed 5 gallons (18 liters) and resell the wine in accordance with the terms of the person's license.

(n) The permit fee is \$10.

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